

City of Milwaukee Flexible Spending Program (FSA)

- The City **will accept paper applications** for FSA through December 13, 2013 in Room 706, City Hall.
- For FSA-Medical in 2014, you will be allowed to **carry over** up to \$500 through December 31, 2015, for a full 12 months. This replaces the current two and a half month **grace period** that will allow members to use 2013 FSA-Medical funds until March 15, 2014.
- Following is a presentation from the eflex group.

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to great service,
the sky is the limit

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Introduction

- Flexible Spending Account (FSA)
- Through pre-tax payroll deductions, save taxes on common costs such as deductibles, co-pays, vision, dental, and dependent care
- Depending on your tax bracket, you could save 30%!

Tax Savings Example

\$500 Contribution to FSA	W/O FSA	WITH FSA
Annual Pay	\$25,000	\$25,000
Less Out of Pocket Expenses	\$ 0	\$ 500
Taxable Income	\$25,000	\$24,500
Less Federal Taxes (based on 28%)	\$ 7,000	\$ 6,860
Less State Taxes (based on 5.3%)	\$ 1,325	\$ 1,299
Less FICA Taxes (based on 7.65%)	\$ 1,913	\$ 1,874
Less Out-of-Pocket Medical Expenses	\$ 500	\$ 0
Income After Medical Expenses	\$14,262	\$14,467
Taxes Saved	\$ 0	\$ 205

Health FSA Eligible Expenses

Covers Medical expenses NOT covered by insurance, like:

- Deductibles
- Co-Pays & Coinsurance
- Lasik Eye Surgery
- Dental
- Vision
- Medical Miles

Health FSA Ineligible Expenses

- Teeth Bleaching
- Non-Prescription Glasses
- Cosmetic Services
- Expenses NOT within the plan year

Things to Remember

- Most single participants set aside \$1,500 - \$2,000 per Plan Year
- Most families set aside \$2,000 - \$2,500 per Plan Year
- Uniform Coverage Rule
- Use or Lose – where does it go?
- Your HFSA Maximum is \$2,500
(IRS Reg)

Dependent Care FSA

- For Children Under 13
- May be used for adult care
- \$5,000 IRS max per calendar year
- Can reimburse available balance

Dependent Care, cont.

- Summer Day Camps – ok
- Overnight Camps – not ok
- Must file with taxes, Form 2441
- Recurring Claim Filing ONCE each plan year!

IRS Rules

- Expenses must be incurred during the plan year
- Submit claims at any time during the plan year, or 90 days after end of plan year
- Must have eligible status change to change election amount

Services

- Submit claims via fax, email, online, mobile app or mail
- Direct Deposit
- Provide email address and receive election confirmation, direct deposit confirmation, claims information
- Online Account Look-Up and Forms
- Online Tax-savings Calculator and Planning Tools
- Claims typically processed within 24-48 hrs of receipt

Claims Submission

Claims must include:

- Date of Service
- Amount Incurred
- Description of Service
- Signed Claim Form

Credit card or balance due statements not acceptable because they don't have IRS-required information.

Debit Card

- Use to pay for claims up to your available balance
- Works just like a credit card
- KEEP YOUR RECIEPT
- IIAS (also under forms on Website)

http://www.sig-is.org/imwp/idms/popups/pop_download.asp?contentID=12418



Debit Card Substantiation

- Why? IRS Requirement!
- Auto Substantiate
 - IIAS
 - Co-Pays
 - Recurring Claims
- Substantiation may be requested by eflex (via email if address provided, or letter)
- MUST submit substantiation if requested within 45 days or risk card being de-activated
- Manual claims may be submitted if card is de-activated

Enrollment

- Estimate out-of-pocket expenses for you/spouse/dependent children
- Total election divided by number of pay periods in the plan year & pre-taxed from each pay check

Contact Information

- www.eflexgroup.com
Live Chat or email
- 877/933.2529 toll free number
- 877/231.1287 toll free fax

Questions



Thank You